



# The Big Story

## France-Mozambique ship deal raises questions

By SYLVIE CORBET and ANGELA CHARLTON

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Mozambique's President Armando Guebuza, center, shakes hands with France's President Francois Hollande, right, as the head of CMN (Construction Mecanique de Normandie) Iskandar Safa holds a metal cutout of a fisher boat, at the CMN shipyard in Cherbourg, northwestern France, Monday, Sept. 30, 2013. French President Francois Hollande is vaunting a 2 million euro ship contract from Mozambique as a model for France's industrial renewal, and as salvation for Cherbourg's ship-building industry. (AP Photo/Michel Euler)

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CHERBOURG, France (AP) — France is negotiating possible weapons sales to Mozambique in connection with an unusual, somewhat shrouded ship-building deal, a senior official from the African country said Monday. French authorities would not comment on the negotiations.

The ship contract, worth at least a quarter of a billion dollars, is raising eyebrows in both countries.

The government of Mozambique — one of the world's poorest countries and a major recipient of European aid — isn't

spelling out how much exactly is being spent on the 30 trawlers and patrol boats, or who is putting up the money. And the driving force behind the deal is a Lebanese billionaire with holdings across the Middle East and Africa who once faced investigation for his past financial dealings in France.

Shaking hands and smiling, French President Francois Hollande and Mozambique President Armando Guebuza formally launched the ship-building project Monday at a struggling shipyard in Cherbourg, on France's Atlantic coast.

Shipbuilder Constructions mecaniques de Normandie (CMN) says the contract will provide two years of work for around 400 French employees. Mozambique officials say the ships will help fight illegal trafficking and piracy, and protect offshore oil and gas drilling platforms.

The patrol ships will need naval guns and other military equipment, and so there are also negotiations under way about buying the needed weaponry from France, Mozambique Deputy Foreign Minister Henrique Banze said.

"Yes there will be" weapons purchases, he told The Associated Press by telephone. "It's important not only to have ships. There will also be a need to make sure that they are protected." He would not give details, but said the money for the ship deal came "from a loan from another country, but I can't say which one."

Hollande's office said the contract with CMN is just part of a larger global deal with the holding company Prinvest, owned by Lebanese magnate Iskandar Safa.

Hollande's office wouldn't comment on the possible weapons negotiations because the deal is not public. Safa, who played a prominent role in Monday's events in Cherbourg, declined to give details on the agreements involved.

Safa, who helped negotiate the release of French hostages in Lebanon in 1988, faced a French arrest warrant for several years in the 2000s because of suspicions around his financial transactions with senior French officials. The case against him was dropped in 2009 by the French prosecutors for lack of evidence.

Meanwhile, Mozambicans are asking how all these purchases are being financed. Mozambique is ranked 185 out of 187 on the U.N.'s human development index. But it has been enjoying strong economic growth, boosted by the discovery of large reserves of offshore natural gas.

Fatima Mimbire, who works with anti-corruption group Transparency International in Mozambique, said the government has released contradictory information on the value of the ship deal — ranging from 200 million euros to \$500 million — and about which company is behind it.

"If members of the government aren't talking the same language, something is wrong," she said. "I understand that we need to expand our exports to bring more money to the country. ... But the government should tell the truth about what is behind this operation."

Before Guebuza traveled to France, there was an outcry by Mozambican society, with critics complaining that the country has problems more pressing than needing ships, such as hunger, poor roads, lack of medicines, and lack of decent medical care for pregnant women.

The Mozambican president told The Associated Press in Cherbourg on Monday that the ship deal "is a private contract, with all the support of the Mozambique government." He declined to give any details about the buyers.

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Emmanuel Camillo in Maputo, Mozambique, contributed to this report.

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